

Restructuring Alliance Service Delivery Models to improve customer satisfaction

the challenge

In a major step towards establishing a service delivery presence in the energy industry, our client entered into an alliance-style contract to provide long-term maintenance services to a major electricity and gas distributor worth over \$100 million per annum.

With the contract came an existing maintenance workforce with several underlying issues. Our client was given two years to overcome these challenges. However, after 18 months the asset manager began decreasing the CAPEX allocated for work under the contract and did not intend to renew the maintenance contract.

what Marchment Hill did

Marchment Hill Consulting sought to answer three basic questions about our client's service delivery operations:

- In what areas does the asset manager believe our client is under-performing?
- Does our client's operating model allow it to meet the required performance objectives?
- Do our client's personnel have the capabilities to perform optimally within the operating model?

Marchment Hill Consulting conducted interviews with key managers in both our client's and the asset manager's business, focusing on the way services were provided and personnel were involved, as well as specific performance issues, mitigating circumstances and improvement ideas.

We also conducted a survey of both organisations, seeking opinions on a range of issues related to the relationship and the maintenance contract.

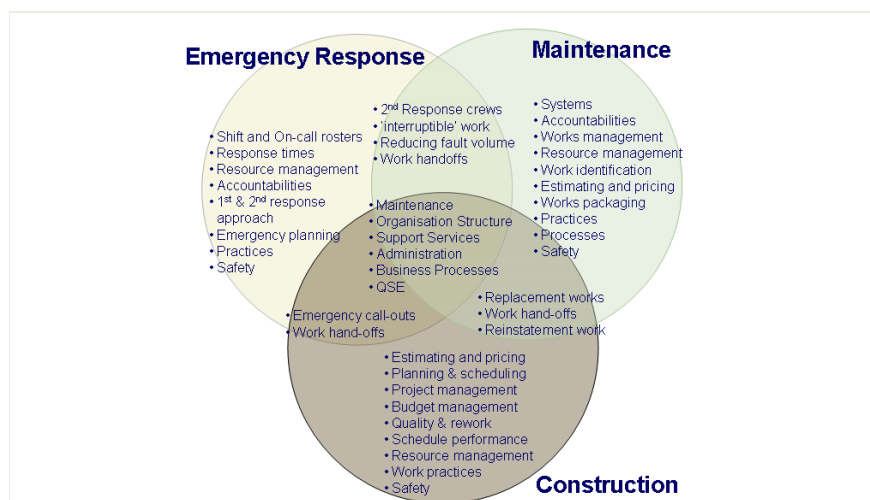


Figure 1: Example of Model Scope

Marchment Hill Consulting's focused operating model review examined linkages in how our client's key services are delivered, and identified weak points driving poor KPI results.

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the benefit

Marchment Hill Consulting helped our client to reach a mid- to long-term strategic view of the contract, which led them to endorse a series of initiatives that would ensure the satisfaction of the asset manager. Those initiatives were prioritised and scheduled, and a complementary 18 month plan developed, with due consideration to the financial viability of our client's business.

By demonstrating this understanding of their underlying performance issues, and showing a marked improvement in performance, our client retained the contract and turned the asset manager's experience into a positive case study for their business.

Our client is now able to support its global strategy in pursuing service delivery business development, regaining local profitability, and leveraging the operational knowledge gained on this contract to win further work with local utilities.

Marchment Hill Consulting has offices in three locations which serve Australia and New Zealand, Asia and the Middle East.

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